

The Hongkong Telegraph

EXCHANGES:
Closing Quotations—
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Humidity 68 62

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TUESDAY, JANUARY 2, 1917.

二拜禮 號二月一英曆 1917
SINGLE COPY 10 CENTS.
\$36 PER ANNUM.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

THE PEACE OVERTURES.

ALLIES REFUSE TO CONSIDER GERMAN PROPOSALS.

A STINGING EXPOSURE OF THE ENEMY'S MANOEUVRE.

December 31, 2.15 a.m.
The Allies' reply to the German Peace Note—part of which we publish in the earlier telegrams—goes on to say that the Note does not consider the facts, dates and figures establishing that the war was desired, provoked and declared by Germany and Austria. The reply proceeds to recall that it was the German delegate at the Hague Conference who refused all proposals for disarmament, that Austria refused the satisfaction which Serbia offered, and that subsequently Britain suggested a conference, France an International Commission, the Tsar asked the Kaiser to go to arbitration, and Russia and Austria actually came to an understanding on the eve of the conflict, "but to all these efforts Germany gave neither answer nor effect. Belgium was invaded by an Empire which had guaranteed her neutrality, and had the assurance to proclaim that Treaties were scraps of paper and necessity knows no law."

The reply proceeds to point out that "these sham peace offers" rest on the European war map alone, which represents only a superficial and passing phase of the situation and not the real strength of the belligerents. "If peace were concluded on these terms, the only advantage would be to the aggressors, who, after imagining that they could reach their goal in two months, discovered that after two years it was never attainable."

Regarding the future, the reply declares that the innumerable enemy outrages against belligerents and neutrals demand penalties, reparation and guarantees, of which Germany avoids mention. "These overtures are really nothing more than a calculated attempt to influence the future course of the war and finally to impose a German peace." The Note was also sent to create dissension among the Allies and to stiffen the public opinion of Germany and her Allies, who were all severely tried by their losses, worn out economically and crushed by the supreme effort imposed upon them. "Another object was to deceive and intimidate neutrals, and, finally, to justify a new series of crimes in submarine warfare, deportations, forced labour, the forced enlistment of the inhabitants against their own countries and violations of neutrality. Fully conscious of the gravity of the moment, and equally conscious of its requirements, the Allies were closely united to one another and in perfect sympathy with their peoples in refusing to consider a proposal which was empty and insincere."

Once again, the Allies declare that no peace is possible so long as they have not secured reparation for violated rights and liberties, the recognition of the principle of nationalities and the free existence of small states. So far they have not brought about a settlement calculated to end once and for all the forces which constituted a perpetual menace to the nations and to afford the only effective guarantee for the future security of the world's peace.

The reply concludes by dwelling on the enormity of Germany's offence against Belgium.

Alluding to Belgium's trial for two-and-a-half years, the reply says that this injustice has been cruelly aggravated by the proceedings of the occupying forces, which have exhausted the resources of the country, ruined the industries, devastated towns and villages, and been responsible for numerous massacres, executions and imprisonments. At this very moment, while Germany is proclaiming peace and humanity to the world, she is deporting Belgian citizens by thousands, and reducing them to slavery.

Press Opinion.

December 31, 12.25 p.m.

The Allies' reply to the German Peace Note, which was published in the late editions of the morning papers, is hailed as a stinging exposure of Germany's rather obvious "war manoeuvre", and also as showing to Germany and the world that the Allies, despite "the European war map" are fully conscious of their growing strength and the enemy's inherent weakness.

Reuter's correspondent at Paris says that the newspapers describe the reply as based on consistent arguments and in a sober tone, and is, therefore, telling. They point out that the Allies' categorical refusal to parley is, clearly expressed, permitting no misrepresentation.

Reuter's correspondent at Washington says that the German Embassy unofficially expresses the opinion that the reply leaves a loophole for Germany to reply with specific terms.

A Second American Note.

December 31, 12.55 p.m.

Reuter's correspondent at Washington says that President Wilson has sent a second Note, which has not yet been presented to the belligerents. It is explanatory of the first.

Spain Hangs Back.

December 31, 12.55 a.m.

Reuter's correspondent at Madrid says that Spain has declined to support President Wilson's Note, thinking that it is premature and useless.

"The Writing on the Wall."

January 1, 3.15 p.m.

The newspapers utter a chorus of approval at the Allies' Note, which finally clears the air. It creates the best of impressions, on all the Allies, especially France and Italy, where it is regarded as the writing on the wall, removing the last doubt that the Allies are determined to end Germany's treacherous methods.

Bavarian King's Boast.

January 1, 5.20 a.m.

Reuter's correspondent at Amsterdam says that the King of Bavaria, in an Army Order, says that if the enemy refuses the proposed peace, we will enforce peace upon him.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

THE PEACE OVERTURES.

Reply Staggered Americans.

January 1, 6.55 a.m.

The Allies' reply has staggered Americans, whom German propagandists had led to believe that the nations of the Entente were struggling among themselves to secure peace at any price. The reply will undoubtedly have a most healthy effect in America.

Count Bernstorff maintains a brave face and insists that the peace proposals will be successful, but the belief is growing that his optimism is due to an expectation that Germany will quickly climb down and reveal peace terms.

There is little indication how Germany has received the Note, but telegrams speak of the growth of a feverish anxiety to know the Allies' intentions.

A Straight Tip.

January 1, 3.15 p.m.

According to a message from Rome, the Tribune hopes that the sending of Notes will now be ended. The war cannot be influenced by sentiment, as the Germans are still afloat for blood and gold.

THE GREEK CRISIS.

Italians Demand Reparation.

December 31, 9.30 p.m.

According to Reuter's correspondent in Athens, the Italian Minister has handed the Government a Note demanding reparation for the events of December 1 and 2, and also making other demands.

The Effect of the Blockade.

January 1, 1.15 p.m.

Reuter's correspondent at Salonica states that an enemy aeroplane has been passing over the town daily. Besides spying, it is supposed to be engaged in postal service.

In Athens, which, except for wireless, is completely isolated, there are indications that the blockade is most effective.

The scarcity of cereals is beginning to be seriously felt in Southern Greece.

The Entente Note.

January 1, 3.20 p.m.

According to Reuter's correspondent in the Piræus, the Triple Entente's Note to Greece was presented to-day.

It demands the reduction of the Greek forces outside the Peloponnese to a number that is absolutely necessary to maintain order; the transportation to the Peloponnese of all armaments and munitions exceeding those corresponding to this force; the prohibition of meetings of Bessarvians; the carrying of arms by civilians; the restoration of Allied controls; the immediate release of political prisoners; the indemnification of those who suffered unjustly in consequence of the events of December 1; the removal of the officer responsible for the orders given on December 1; apologies by the Greek Government to the Entente, and a public salute to the Allied flag.

The Note intimates that Allied troops may shortly be landed at Itea (?) and conveyed to Salonica by the Larissa Railway. Our reserves will have full liberty of action in the event of the Greek Government's giving further cause for complaint. It pledges the Entente not to permit the Venizelist forces to cross the neutral zone.

The Note also declares that the blockade will be maintained until the Entente's demands are satisfied.

Italy Endorses the Note.

January 1, 3.40 p.m.

According to Reuter's correspondent at Athens, it is understood that Italy has endorsed the Triple Entente's Note.

Italian Note Presented.

January 1, 11.45 p.m.

According to Reuter's correspondent at Athens, Italy has presented a Note to the Greek Government endorsing that of the Triple Entente.

A British Agent.

January 1, 11.45 p.m.

An official message says that the Earl of Granville has been appointed the British Government's Representative to the Venizelos Provisional Government at Salonica, with the title of Diplomatic Agent.

THE SUBMARINE CAMPAIGN.

More Sinkings.

December 30, 1.20 p.m.

Among the sinkings reported are the steamers Copewood (British), and Ida (Norwegian). Three British and one Norwegian sailing vessels have also been sunk.

More Steamers Sunk.

December 31, 4.55 a.m.

The following sinkings are reported:—The British steamers Zoroaster, Alalaby, and Orontes, the Swedish steamer Seroddo, and the Norwegian steamer Nysgrand.

Norwegian Shipping Losses.

December 31, 9.30 p.m.

A Copenhagen message says that Norway, during 1916 lost 872 ships, whose total tonnage was 387,000, valued at two hundred million kroner.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

THE BALKAN STRUGGLE.

A New German Plan of Attack.

December 30, 1.20 p.m.

The fighting on the Moldavian front is likely to assume an increased importance. The German plan, apparently, is to combine a frontal attack with an outflanking movement. Probably the latter has not yet been fully developed, but there has been desperate fighting in the region of the Utus Valley, which, with those immediately adjoining, converges on Tiras, in the rear of the advance positions won by the Russians during the past month.

It is also to be noted that the locality chosen for attack is that where the Russians join the Romanians. The former are holding Uzul, while the latter occupy Otuz and the valleys to the south. So far, the Germans seem not to have progressed since Sunday, when the Romanians lost some heights, most of which were recovered on the following day.

Destruction of Oil-Works.

December 31, 12.25 p.m.

Reuter's correspondent at Amsterdam says that the latest details of the destruction of the Romanian oil-works are contained in the Munich *Neueste Nachrichten*, which say that the surface damage is eight millions sterling. This does not include the loss of production and the unestimated damage underground. All the engine houses, cranes, surface and underground machinery were smashed and the oil tanks were fired. The destruction was not only workman-like but skilful.

Germans Compelled to Retire.

December 31, 5.35 p.m.

A German wireless official message says:—We captured Rascu-Rumian positions in the Otuz valley. General Mackensen encountered strong resistance to the north and east of Rimnicul Sarat. In a strenuous attack he entered the enemy's position and gained ground, after heavy fighting.

The enemy attempted to advance in Romania, to the west of Brailov, but our rifle fire caused a complete retirement in disorder and to entrench.

Twenty-three enemy battalions attacked in the centre of the Dobruja, and compelled us to retire to our next line.

Pierce Battles.

December 31, 8.05 p.m.

A wireless Russian official message says:—There have been fierce battles in the Otuz valley. The enemy, reinforced, has repeatedly attacked, and captured several heights.

The enemy is stubbornly attacking on the Moldavian frontier, but his offensive north-west of S-v-j has failed, the Romanians being victorious. Many prisoners were taken.

The heights on the Upper Putna have frequently changed hands, but now remain in the enemy's possession. The Russo-Romanians have displaced the enemy from Bordeschi.

The enemy has repulsed the Romanians north-west of the Buzen-Focșani railway, and in a third enemy attack in the Dobruja, south-east of Brailov, has occupied a height in our centre front.

German Claims.

December 31, 11.30 p.m.

A German wireless official message says:—We threw back the Romanians as far as the Braila bridgehead and gained positions to the east of Macin, in the Dobruja.

Austrian Captures.

December 31, 11.30 p.m.

An Austrian official wireless message says:—Evet and north-west of Kerdi and Vuarhaly we took Nereju and Tulnici.

Russo-Romanian Positions Stormed.

January 1, 4.50 p.m.

A German wireless official message says:—We stormed several of the Russo-Romanian hill positions between the Ut valley and the Putna valley.

We repulsed fierce counter-attacks, and again defeated the Romanians in northern Great Wallachia. We drove back the enemy halfway between Rimnicul Sarat and Focșani.

We took prisoner thousands of Romanians to the east of Macin.

A Russian Report.

January 1, 5.00 p.m.

A wireless Russian official announcement says:—We repulsed the German offensive southward of Ploek.

The enemy strongly attacked the Romanians on both banks of the Kasino, but eastward of the Moldavian frontier the Romanians maintained their positions.

The Romanians were obliged to retire in the region of Patroanu and to the west of Focșani.

We took up new positions from Focșani to the Danube without enemy pressure.

Stubborn Resistance.

January 1, 11.45 p.m.

An Austrian wireless message says:—The Austro-Germans are fighting their way forward in the upper valleys of Zaba, Nareja and Putna.

Our battalions have stormed several successive positions in the Nareja region, the enemy defending every foot of the ground.

CONTROL OF IRISH RAILWAYS.

January 1, 4.55 p.m.

The Government has taken over control of the Irish railways from to-day.

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

OBITUARY.

Mr. Fenwick Harrison.

The death is announced of Mr. Thomas Fenwick Harrison, a retired Liverpool merchant.

POLICE RECREATION CLUB.

An Enjoyable New Year's Treat.

The annual New Year's sports and children's treat were held at the Police Recreation Club yesterday afternoon. There was a very large attendance, and a very thoroughly enjoyable time was spent by all present. Besides a very excellent tea, there was a large Christmas tree for the children, and this was laden with toys and useful articles. Needless to say, a good deal of pleasurable excitement was caused while the branches were being stripped. During the afternoon, Mrs. McL. Messer distributed the prizes for tennis and bowls. Inspector Kent was the successful winner of the tennis tournament, Inspector Grant being the runner-up. Sergeant McDonald won the bowls cup, and Inspector Gerrard and Sergeant Pitt were second and third. The Courty Bowls Cups were won by Inspector Kent and Inspector Watt.

During the afternoon, sports were held. The premier event was the tug-of-war between married and single police. The married men's team was composed of the following:—Sergeant Parden, Inspector Terris, Inspector Garrod, Inspectors Sullivan (2), Aotg, Inspector Davis, Sergeants Pitt, Sutton, and Glendenning. The single men's team was as follows:—P. O's Nicholls, Lannon, Robertson, Harro, Perkins, Vincent, Hogg, Logan, Les. Sergeant Tulloch, and Sergeant McWalter. The single men, after a hard struggle, took the first pull, but the two succeeding were taken by the married men, who were very exultant at their victory. Other events were:—

Gents over 35:—1, Sergeant Grimmit, 2, P. O. Alexander. Gents over 35:—1, Sergeant Floyd, 2, Sergeant Boelger. Ladies' nomination:—1, Mrs. Kent, 2, Mrs. Sutton, 3, Mrs. Aotg.

Ladies' coconut shie:—1, Mrs. Grimmit, 2, Mrs. Parden, 3, Mrs. Watt.

Excellent music was discoursed by the 74th Battalion under the direction of Bandmaster Christian.

TRAMWAY RETURNS.

The following is the approximate statement of the Hongkong Tramway Company's traffic receipts for the week ending December 30, 1916:—

	Receipts for week	Aggregate Receipts for 52 weeks
This Year: ...	\$12,797	\$786,108
Last Year: ...	11,063	574,012
Increase: ...	1,734	164,096

DONT FORGET.

TO-DAY.

Victoria Theatre—9.15 p.m.
Bijou Theatre—9.15 p.m.
New Hongkong Cinema—9.15 p.m.

TO-MORROW.

Victoria Theatre—9.15 p.m.
Bijou Theatre—9.15 p.m.
New Hongkong Cinema—9.15 p.m.
Saturday, January 6.
City Hall—8 P.M. Sports Night.

REMOVED

For a good solid meal a la
Cafe or Table d'Hot with
Wines & Liquors of the Best
ALEXANDRA CAFE

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Antifouling Compositions for Ships' Bottoms,
Antisive Paints, Ready mixed, for all purposes.

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Principal features: Small Premium, Liberal Surrender Value,
No Medical Examination, Return of Premium in the Event of Death,
and Numerous Options at the Age of 25.

WRITE FOR PAMPHLET AND FULL PARTICULARS TO
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8 STRAND
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CIRCUMFERENCE.

CABLE LAID
5" to 15"
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Prices, Samples and full particulars will be forwarded on application.
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the above Company are prepared to
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EVERY HAM
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"SILVER DISH" BRAND.

QUALITY
CANNOT BE
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THE HONGKONG HOTEL AND GRILL ROOM.

J. H. TAGGART, Manager.

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1,400 FEET ABOVE SEA LEVEL.
FIFTEEN MINUTES FROM PRINCIPAL LANDING STAGE.
FIRST-CLASS RESIDENTIAL AND TOURIST HOTEL. Unrivalled for Comfort, Health and
Convenience. Telephone in Every Room; prompt connection maintained by six lines to Central
Telephone Staff and Resident Outside, Roof Garden and Social Rooms. Surrounding Manor meets Manors
P. O'FEUSTER, Manager.

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A first-class and up-to-date Hotel, most central location, within the vicinity of all the principal Banks.
Noted for the best Food, Refinement, Accommodation and Cleanliness. Cuisine under European
Supervision.
A first-class string Orchestra renders selections from 3.30 p.m. to 11.30 p.m.
Special monthly terms for residents and for shipping people.
For further particulars apply:— **W. GALLAGHER,**
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CENTRAL LOCATION.
ELECTRIC LIFTS AND LIGHTING.
TELEPHONE ON EACH FLOOR.
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J. WITCHELL, Manager.

ST. GEORGE'S HOUSE.

2 and 4, KENNEDY ROAD. Telephone 115.
Private hotel, affording every comfort. Large and airy rooms.
Splendid View of Harbour. Excellent Cuisine under Personal
Supervision of the Proprietress.
For Terms apply:— **MRS. LOSSIUS,** Proprietress.

STATION HOTEL.

First class and most up-to-date Residential and Tourist Hotel. Two minutes
from the Ferry. Moderate tariff and most excellent cuisine under entirely European
management. Monthly and Family rates can be arranged on most reasonable
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Apply:— **THE MANAGERS,** Kowloon.
Telegraphic Address: "TERMOTEL." Code Used: A.B.C. 5th Edn.

NEW MACAO HOTEL.

PRAYA GRANDE, MACAO.
The above Hotel was opened on August 1st, 1914, under new proprietorship and management. The
Hotel new outfit, for Residents and Tourists, excellent accommodation. Large dining-room facing the sea.
It has been entirely renovated throughout and newly furnished, and is now up-to-date in every respect.
Large and airy rooms, excellent sanitary arrangements, Hot and Cold Bath, Electric light and Fans.
Private and Public Bar and Billiards. Terms Moderate. For further information apply to
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Our Bread is made from the Best Quality Flour only and can be obtained and order taken
AU WEE'S BAKERY, 10, Prince Street, Kowloon. Telephone 111. Baking Room, Prince Street, Kowloon.
Commodore, Halpin Road, KOWLOON FOCK, Commodore, Halpin Road, KOWLOON YUEN MOU,
Commodore, Halpin Road, Kowloon.
Orders may be left with the above for any of our products. We put up absolutely the Best Tides
and Dainties—new Mince for each week. Price one Dollar Each, or 50 Mince for 50 cents good for any
meal, or a 10 Cents up to 25 cents.
We guarantee everything put up and sold by the Alexandra Cafe to be of first class quality. Try
our own made Pork Buns and Pork Pies, Pure Java Coffee, Kestrel and Ground Daily and put up in
lb. Tins at 50 cents. We give you a Splendid Cup of Japan's Tea. Minerals and soft drinks of every
description.
Just give us a Trial and you will be more than satisfied.
R. J. HOWARD, Sole Proprietor.

Grand Hotel de l'Europe, Singapore.

UNDER NEW BRITISH MANAGEMENT.

THE PREMIER HOTEL. FINEST SITUATION.
EXCELLENT CUISINE.

ARTHUR E. ODEL,

(Late Grand Hotel, Southcliffe, England, and
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NOTICES.

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materials. May be charged a thousand times without
lowering its efficiency; may be charged and discharged
in minimum time and to its full extent without
injury. May be kept unloaded for any length of time
and is absolutely safe from self-discharging when
left loaded and out of use. Salt water has no
injurious effect on the accumulator.

An ideal accumulator for any kind of lighting or ignition device.
A LARGE ASSORTMENT OF ACCUMULATORS AND CELLS
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"THE NIFE" LANTERN

AN ELECTRIC ACCUMULATOR HAND-LANTERN (SWEDISH MAKE)
HAS JUST ARRIVED.

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Telephone No. 171, YORK BUILDING (TOP FLOOR).

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The many firms which manufacture Nerve Strengthening Food are
unable to be wound up under the Trading with the Enemy Act. Now if
you want a nerve strengthening food, you must buy it from an
English firm.

WE SELL SANAPHOS.

AN ENTIRELY BRITISH PRODUCT—prescribed by the highest
medical authorities. An ideal summer tonic for reconstructing the
worn nerve tissue. We can recommend it.
Price \$1.50 per bottle.

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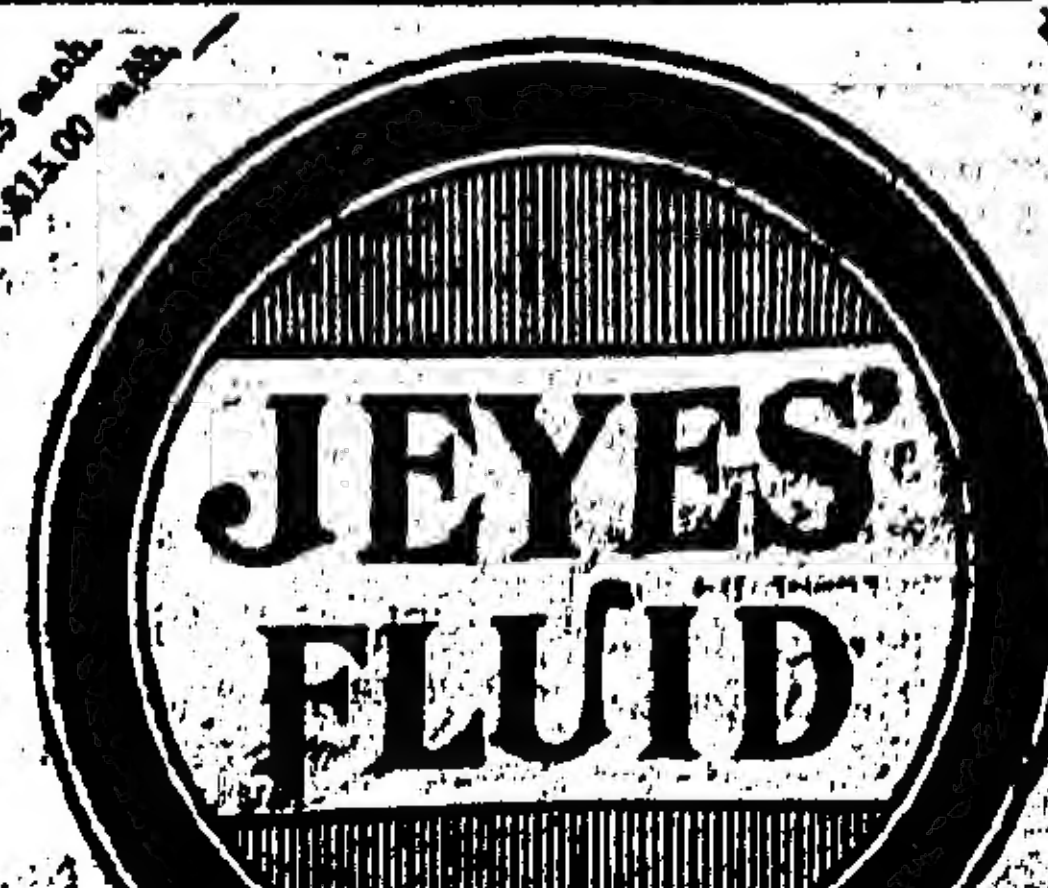
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\$10.

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REGULAR
ATTENTION
AND TUNING.

SECURE A PIANO NOW IN GOOD
TIME FOR THE COLD EVENINGS.

ROBINSON'S



GENERAL NEWS.

Star and Garter.
The Queen, accompanied by
Princess Mary, on November 16
received the Ladies of the Com-
mittee of the British Women's
Hospital, who presented to Her
Majesty the sum of \$150,000
which they have raised for the
building and equipping of the
"Star and Garter."

Motor Manufacture Prohibited.
The Minister of Munitions has
issued a notice prohibiting until
further notice (as from 15th No-
vember), any person, firm or
company engaged in the manu-
facture or repair of any vehicle
designed for mechanical trans-
port or traction, or any
part of such vehicle, from
carrying out in any factory,
workshop or other premises,
without a permit issued under
the authority of the Minister,
the Army Council or the Minister
of Munitions, any work consisting
in the manufacture, assembling
or erection of any new or unused
motor, internal combustion
engine, designed or adapted for
mechanical traction, or of any
new or unused motor cycle, motor
chassis, motor wagon or of any
tractor or other motor vehicle of
any kind propelled by mechanical
means, subject, however, to the
following exception:—Work re-
quired to complete contracts
placed by the Admiralty, the War
Office, the Minister of Munitions
or an Allied Government on or
before the date of this Order.

Dutch Indies Affairs.
Discussing the Netherlands
Indian Budget, the *Gazette de
Hollande* says that an amount of
\$1,081,700 is asked for, as an
increase in the salaries of officials
on the Interior Government. In
view of the extension of British
Government influence in the
Western Section of British New
Guinea, it is necessary to extend
the scope of our Government
activities in South New Guinea,
to suppress native raids and out-
bursts; \$41,580 has been pro-
posed for the purpose. For some
years to come no candidates for
the official posts on Chinese Affairs
are to be sent to China, neither
the estimates for this section have
been reduced by \$8,400. To
cover the deficit for the whole
expenditure up to the end of
1917, about \$276,163,000 is
available:—(a) the remainder of
the 1898 loan available on Dec.
31, 1901, namely, \$17,635,277;
(b) the proceeds from the 1906
loan, or \$39,982,477; (c) the
proceeds of the Indian loans 1915
\$9,375,000, and 1916: \$20,
600,000, together, \$196,802,000.
The difference of about \$70,527,
000, after deduction of the
revenue from taxes amounting to
\$1,500,000, will have to be
supplied by a loan. The ordinary
expenditure for 1917 is estimated
at \$448,776,572.

At Col. R. C. Fairfax.
Lieutenant-Colonel Bryan O.
Fairfax, who has just been gazet-
ted to the command of a Chinese
Battalion of Libourers— from
command of the 17th Battalion
King's Liverpool Regiment—had
considerable experience of the
Chinese in South Africa. Joining
the Durham Light Infantry
in 1893, he served in China
during the campaign of 1900
(going with a company) took
part with the mounted infantry
of the "Faithful Durham" in
the South African War of 1900-
02, placing various actions in the
Transvaal, Orange River Colony,
and Cape Colony to his credit
(Queen's Medal) with four
claspes). In 1905 he was ap-
pointed Inspector of Chinese
Labour in the Transvaal, and
held that appointment till the
abolition of indentured labour in
that country. Rejoining the
Durham, he did duty till early
in 1914, when he retired with
the rank of major. Rejoining a few
months later at the outbreak
of the war, he was gazetted sub-
sequently to the command
of the 17th Battalion of
the King's Liverpool Regiment—
let City of Liverpool Battalion—
and commanded it with much
ability since. Being an expert in
the handling of Chinese, Lieuten-
ant-Colonel Fairfax should bring
his new Chinese Labour Corps
to it is officially described as a
high state of efficiency.

General.
For a good solid meal in
Cafe or Table d'Hôte with
Wine or Liquor at the
ALEXANDRA CAFE.



**SIR ROBERT BURNETT
& CO.'S
OLD TOM
AND
DRY.**

A. S. WATSON & Co., Ltd.,

WINE AND SPIRIT MERCHANTS.

HONGKONG AND CHINA.

ESTABLISHED A. D. 1841.

Telephone 616.

The Hongkong Telegraph.

HONGKONG, TUESDAY, JANUARY 2, 1917.

THE OLD YEAR AND THE NEW.

On this second day of another New Year we offer cordial greetings to all our readers, adding the fervent hope that the end of 1917 may see the world once more at peace. How much nearer the year that has just gone has brought us to a satisfactory settlement of our little account with Germany is for experts to say; it is at least plain, even to us out here, that, if territorial gain on the Western front has been small, and if Romania has to be added to the list of material sufferers by the war, Germany is yet being made to feel the strain in a very practical and effective manner. The close of 1916 has shown us our enemy gasping and staggering under the repeated blows that the French and British are inflicting on the great Western battlefield; it has shown us a disconcerted, disappointed and half-starved German populace, and an Austrian Empire that is hastening down the slope that leads to disintegration. Better still, it has shown us a new Britain: a Britain more resolved than ever upon conquest, more closely united than ever to her fearless Allies, and stronger a thousand times by reason of her having placed her affairs in the hands of a Government that is taking upon itself to atone for the fatal errors of its predecessors, that will make the most of the Empire's resources and that will not be fooled by the enemy's peace manoeuvres. The year that has gone has witnessed the loss of one whom King and people could least spare: Earl Kitchener; the withdrawal of the troops from the Dardanelles and the cruel Mesopotamian blunders are other features; and to these, unfortunately, have to be added many failures that might so easily have been successes had Britain not been overruled with a Cabinet of interested persons or mere drivellers. All this is now, we firmly believe, being left behind, and its place taken by a worthier regime, under which Britain and her Allies must inevitably march to a conclusive victory.

While slaughter and terrorism and mourning and political intrigue have gripped the greater part of Europe, our own quarter of the world has fortunately been able to pursue its ordinary way, with, practically speaking, no more anxiety, ill luck or inconvenience than in former years. China has undergone another petty civil war; but that is nothing out of the ordinary. Yuan Shih-kai has gone to join his father, but his death has by no means brought about that cessation of squabbling, jealousy, knavery and scheming which his adversaries fondly prophesied. China still is China: the land of underhand methods, exposed by her own want of integrity and of unity to the machination of foes from within and without. The Province nearest to us has endured a sharp period of internecine war which could quite easily have been avoided. Its government has now been placed in new and wiser hands, but even so it is difficult to feel sanguine as to its prosperity during the coming year. Kwangtung has always been fair game for the lovers of conspiracy and turmoil; and, even at this moment, it contains some dangerous elements that, on the first half-chance, will plunge the luckless inhabitants into yet deeper and more far-reaching trouble.

Meanwhile in Hongkong we go muddling on, doing after our kind: ploughing the sand, and calculating on a fairly generous harvest of figs from the thistles which we so assiduously cultivate. The war, with which, from a combatant point of view, we have hesitated to have very much more than a bowing acquaintance, has brought no mean prosperity to the Colony; and big dividends, big share deals or comfortable payment for censorship duties have rendered some of us fat and well liking—that the saying might be fulfilled, "It's an ill wind that blows nobody good." Happily we are able to record that, of its substance, the Colony has contributed much to the various war funds, and we trust that the amount will be doubled during the present year. On two little matters our readers may perhaps congratulate themselves. (a) practically all male European British subjects, together with quite a large number of Eurasians and Asiatics, are now serving, without any compulsion, in one or another of the King's auxiliary forces, while many women have also enrolled for voluntary war work; (b) another effort has been made at obtaining for this Colony what it should have had many years ago: some kind of representative government. The scheme still lacks a good deal of leverage, and it will be the duty of all of us, during the year 1917, to help it along, to the best of each man's ability. Woolly wits and bungling hands have controlled the public affairs of Hongkong all too long. If Fortune should favour the arms of the Allies, it may well be that the close of the year upon which we have just entered will find us beginning on the after-campaign: that of crippling the trade of the German in China—and of keeping him out of Hongkong. As is well known, the Government here is no more than a puppet in the hands of that at Home, and the Empire has not yet seen enough of the new Administration to be able to decide whether it is or is not likely to ban the Hun from British territory when peace comes. Had the late Government remained in power, there is little doubt but that the way would have been made smooth enough for his return; it is even thinkable that we might have been called upon to strew flowers in his path. This will not happen now; nevertheless, it becomes all loyal Britishers to band together to prevent any undesirable possibilities. If the Imperial Government consents to the return of the Germans, the local authorities will, of course, be powerless—unless the men of Hongkong are prepared to "do their bit" by making it known that any German who sets his belated foot on these shores will soon be glad to withdraw. All told, quite a lot of work lies before us, even in little Hongkong.

Shipbuilding Control.
On Saturday we published regulations made by the Governor-in-Council placing the Colony's ship-building and ship-repairing facilities under Government control. The reasons which have led to the taking of this step are not stated, but we may take it for granted that they form part and parcel of a general Imperial policy. By the regulations, no shipping construction or repair work can be undertaken without the permission of the authorities, and such permission may be subject to such conditions and limitations as the Government considers necessary. Thus, in a very real sense, the Government has assumed control of all ship-building establishments in the Colony. As will have been seen from a telegram which came to hand on the day on which these regulations were promulgated, the Imperial Government is most thoroughly going into the whole question of ship construction. An Advisory Committee has been appointed to consider the acceleration of ship-building and the general administration of the nation's new ship-building programme. There is evidence, therefore, that the matter of maintaining our shipping supremacy is receiving careful attention, and we may take it that the new Hongkong regulations are designed to assist towards that end.

Delays.
This question of speeding-up of merchant shipbuilding has been much to the fore at Home of late. In Parliament and out of it, insistent representations have been made to show the danger of our being outstripped by other nations in this direction. And not a few complaints have been uttered in regard to delay in the completion of ships under construction. As a case in point, the *Journal of Commerce* recently drew attention to the fact that the British authorities are the only ones who have ratified an International Convention and put into operation certain of its findings which impose a penalty on British shipowners. This step has apparently been taken in spite of representations made by responsible ship-building interests, suggesting the suspension of such regulations until after the war. The question is one of complaisance with the standard laid down by the Convention regarding ships of the "mixed" passenger and cargo type, which complicates the construction and so lengthens the time required for building. But it is not merely in regard to new construction that the regulations are found to be hampering ship-building—there are certain recommendations concerning water-tight bulkheads on old vessels; and here also it is pointed out that British shipping is penalised at a time when every effort should be made to facilitate construction and expedite delivery. The whole question is a most important one, and we can only hope that the new measure of control now instituted will materially contribute towards the up-holding of our supremacy.

A Brilliant Idea.
If the subject were not so grimly serious, one would be inclined to treat the remarks of the *Koelnische Zeitung*, regarding peace, as a most delightful piece of hamour. The one characteristic of the German Peace Note was that it contained no concrete proposals whatever. Now comes the journal mentioned with a couple of specific proposals—namely, that there shall be no discussion of the responsibility for the war, and no subjection of Germany! Quite a nice idea, this. Naturally enough, Germany, who plunged the whole world into a present terrible turmoil, doesn't desire that the question of culpability should be investigated. And, in view of the determination of the Allies to see the business through, one can quite appreciate her stipulation that she should escape punishment for her unpardonable crimes against humanity. A burglar caught red-handed would no doubt likewise follow the same line. Before a magistrate—he would be quite anxious to "disown" his little weakness with his Worship provided the latter didn't enquire too closely into the question of responsibility, and promised not to punish him for his sin!

Gold Theft.
Before Mr. J. R. Wood, at the Police Court this morning, three smelters were charged with stealing, during the past five months, 60 slabs of gold and lead alloy to the value of \$1,200. The complainant is a man who has a large gold-beater's shop in Hongkong, and for some time past a deal of this valuable metal has been missed. Enquiries were set on foot, and although the defendants, who were looking in his employ, were closely watched, nothing was discovered. The manager of the shop had very grave suspicions and informed the Police, with the result that the defendants were arrested, when they made certain statements. All three defendants were convicted, the first and second being sentenced to six months' hard labour, and the third, to four months' hard labour.

DAY BY DAY.

IT IS A GOOD AND SAFE RULE TO REMEMBER EVERY PLACE AS IF YOU MEANT TO SPEND YOUR LIFE THERE: NEVER OMITTING AN OPPORTUNITY OF DOING A KINDNESS, OR SPEAKING A TRUE WORD, OR MAKING A FRIEND—BUT.

The Dollar.
The opening rate of the dollar on demand to-day was 2s. 4.2/10d.

To-morrow's Anniversary.
To-morrow is the 114th anniversary of the birth of Douglas Jerrold, the celebrated humourist.

A Sunken Junk.
At noon on December 28, in Lat. 28 degrees N., Long. 121 degrees E., the s.s. Kwangle passed a junk awash with twenty feet of mast above water.

A Coolie's Death.
An earth-coolie, employed at the Tai Po Tau village, has died from injuries received through a large quantity of earth falling on him whilst he was digging at a hillside.

Alice Memorial Hospital.
The Hon. Treasurer of the Alice Memorial and Affiliated Hospitals begs to acknowledge with thanks the following donations to the funds of the Hospital:—Ginseng Guild, \$80.

A Year for Snatching.
A Chinese was charged before Mr. J. R. Wood, at the Police Court this morning, with stealing a bangle from a small child. A previous conviction was proved against him, and his Worship sent him to prison for a year.

Probably Wrecked.
A woman has reported that her husband, with three folk, went out in a fishing boat to fish from the village of S. I. Ah Chi and have not returned. It is thought the men were wrecked, for portions of the boat were found at another village close by.

Blat Robbery.
A widow, residing at 2, U Lam Terrace, has laid information with the Police regarding a robbery which occurred at her dwelling, some person having effected an entry and stolen \$2,121 in jewellery and money from a safe.

Rescued.
A Chinese has been conveyed to the Government Civil Hospital owing to an immersion in the water. Apparently he had tried to commit suicide, for he was seen to jump into the water and it was only due to the promptitude of the coxswain of the Kwong Sun steam launch that he was rescued.

Benefit of the Doubt.
A Chinese was charged on remand, before Mr. J. R. Wood, at the Police Court this morning, with stealing a quantity of coal from the Mitsui Bishi Goshi Kai-shi coal yard at Yauwatt. Mr. P. W. Goldring defended. Further evidence was called in the case, and His Worship said he would give defendant the benefit of the doubt and discharge him.

Cracker-Firing.
No fewer than 18 Chinese were charged before Mr. Wood, at the Police Court this morning, for firing crackers on December 23. Inspector Sullivan brought the cases and said that most of the crackers were fired in close proximity to the Hospital and that Dr. Koch had complained that patients were being disturbed by the noise. There was one defendant absent, and the rest were fined \$2 each.

Gold Theft.
Before Mr. J. R. Wood, at the Police Court this morning, three smelters were charged with stealing, during the past five months, 60 slabs of gold and lead alloy to the value of \$1,200. The complainant is a man who has a large gold-beater's shop in Hongkong, and for some time past a deal of this valuable metal has been missed. Enquiries were set on foot, and although the defendants, who were looking in his employ, were closely watched, nothing was discovered. The manager of the shop had very grave suspicions and informed the Police, with the result that the defendants were arrested, when they made certain statements. All three defendants were convicted, the first and second being sentenced to six months' hard labour, and the third, to four months' hard labour.

LOCAL SPORT.

CRICKET.

Kowloon 1st v. Civil Service.

Playing at Happy Valley on Saturday, Kowloon, mainly because of some fine bowling by Brags, easily defeated the Civil Service. Scores:—

Kowloon.	
J. V. Brags, o. Taachi, b.	18
Hamilton ...	13
B. D. Evans, b. Hamilton ...	33
W. T. Elson, b. Hamilton ...	5
W. H. Stapleton, b. Marley ...	38
K. McLennan, run out ...	6
J. H. Mead, b. Witcheil ...	20
J. P. Robinson, b. Hamilton ...	1
A. O. Brown, not out ...	19
J. C. Fletcher, b. Bird ...	17
E. J. Edwards and H. Overy	did not bat.
Extras ...	13
Total (for 8 wickets) 169	

Bowling.	
Hamilton ...	13 44 4
Bird ...	7 40 1
Marley ...	6 37 1
Witchell ...	4 34 1

Civil Service.	
R. C. Witcheil, l.b.w., b. Evans	14
E. W. Dawson, b. Brags ...	20
G. E. Marley, b. Brags ...	3
R. A. B. Ponsonby-Fane, o. McLennan, b. Brags ...	0
E. W. Hamilton, b. Evans ...	0
P. T. Lambie, b. Evans ...	6
R. E. O. Bird, b. Brags ...	0
C. J. Taachi, o. McLennan, b. Brags ...	0
O. Sara, not out ...	1
J. W. Franks, b. Brags ...	0
Extras ...	1
Total ...	45

Bowling.	
Brags ...	9 18 7
Evans ...	9 26 3

Kowloon and v. R.G.A.
Played at Kowloon on Saturday, a closely-contested match resulting in a win for the home side by five runs. Scores:—

Kowloon and.	
Lt. Gray, o. Smith, Palmer ...	38
W. L. Weaver, b. Smith ...	15
H. S. Rouse, b. Palmer ...	10
O. J. Stapleton, o. Veal, Dix ...	17
O. Woodman, b. Palmer ...	0
A. E. Silkestone, b. Palmer ...	8
D. J. Mackenzie, not out ...	4
J. M. Jack, o. Veal, b. Dix ...	12
F. Travers, o. Dix, b. Palmer ...	8
J. Ralston, o. Hartree, b. Dix ...	2
W. L. Handyside, b. Dix ...	4
Extras ...	9
Total ...	123

Bowling.	
Smith ...	9 1 45 1
Palmer ...	12 0 55 5
Dix ...	5 2 0 19 4

R.G.A.	
Opl. Smith, b. Weaver ...	25
Bd. Dix, o. Woodman, b. Weaver ...	0
B. J. Calner, o. Mackenzie, b. Silkestone ...	0
Opl. Lacey, o. Stapleton, b. Silkestone ...	9
Mr. Gr. Hartree, b. Weaver ...	0
B. J. Veal, b. Silkestone ...	20
Gr. Palmer, b. Mackenzie ...	7
Gr. Shaw, b. Silkestone ...	11
Gr. Whiting, b. Rouse ...	4
Gr. Lord, not out ...	13
Gr. Page, b. Rouse ...	28
Extras ...	3
Total ...	118

Bowling.	
Weaver ...	9 0 44 3
Silkestone ...	10 4 2 28 4
Rouse ...	6 0 17 2
Mackenzie ...	3 0 10 1

Chinese Recreation Club v. Navy.
There was not a deal of high scoring in this match, played at Happy Valley on Saturday. The Recreation Club easily won through the first bowling of the Navy. Scores:—

C.R.C.	
H. F. Ua, b. Wild ...	28
Wei Lee, b. Godfrey, b. Pratt ...	0
S. K. Ng, b. Robinson, b. Wild ...	0
H. Ching, b. Robinson, b. Wild ...	0
P. K. Wong, b. Robinson, b. Wild ...	0
G. Lee, b. Wild ...	8

J. Yaw, b. Pratt ...	11
A. Kew, run out ...	5
J. Wong, b. Pratt ...	6
Hung Lu Kwong, not out ...	13
G. T. Lam, o. Hall, b. Wild ...	0
Extras ...	5
Total ...	35

Bowling.	
P. O. Pratt ...	12 2 27 4
Ant. Payr. Wild ...	11 4 1 51 5

The Navy.	
Asst. Payr. Robinson, b. Ua ...	0
Lieut. Hall, o. Lee, b. Ua ...	0
Pta. Co. Kr. o. Ching, b. Ua ...	7
Asst. Payr. Wild, o. Ching, b. Ng ...	0
C. P. O. Pratt, b. Ua ...	7
P. O. Kison, run out ...	2
P. O. Barclay, b. Ng ...	1
G. Ackrill, o. Lee, b. Ng ...	11
G. Pink, o. Wei, b. Ua ...	0
H. Horne, b. Ua ...	0
T. Godfrey, not out ...	2
Total ...	35

Bowling.	
Ng Sze Kwong ...	7 1 22 3
Un. New Fan ...	6 0 14 6

Craigengower v. The University.
After an exciting finish, Craigengower managed to win this New Year's Day match by four runs. Scores:—

Craigengower, 1st Innings.	
S. Jax, b. Dixon ...	2
B. W. Bradbury, o. Samy, b. Dixon ...	0
J. D. Noria, b. Ng Sze-kwong ...	18
A. Mann, o. Hall, b. Ng Sze-kwong ...	1
R. G. Southerton, b. Ng Sze-kwong ...	5
G. F. Thompson, o. Gittens, b. Dixon ...	11
L. A. Rose, not out ...	1
A. Goldenberg, b. Ng Sze-kwong ...	0
Extras ...	3
Total ...	41

Bowling.	
Dixon ...	8 2 21 2
Ng Sze-kwong ...	7 2 17 5

University 1st Innings.	
J. D. Wright, b. Southerton ...	0
R. A. Ponsonby-Fane, b. Southerton ...	20
Ng Sze Kwong, b. Southerton ...	13
A. H. Ramjahn, o. Southerton, b. Jax ...	0
A. de Souza, o. Goldenberg, b. Jax ...	13
W. Hall, b. Southerton ...	5
D. P. Dixon, b. Jax ...	5
Chow Yat Cheong, o. Southerton, b. Jax ...	3
G. Hall, b. Southerton ...	4
W. Gittens, b. Southerton ...	7
D. K. Samy, not out ...	0
Extras ...	2
Total ...	72

Bowling.	
Southerton ...	11 3 31 6
Jax ...	11 1 39 4

Craigengower, 2nd Innings.	
S. Jax, o. Fane, b. Ng Sze-kwong ...	5
R. Bass, b. Dixon ...	6
R. G. Southerton, b. Ng Sze-kwong ...	3
G. F. Thompson, o. Ramjahn, b. Dixon ...	9
A. Mann, l. b. w., b. Dixon ...	51
B. W. Bradbury, o. Ramjahn, b. Souza ...	37
L. A. Rose, o. Hall, b. Dixon ...	6
J. D. Noria, o. Ramjahn, b. Dixon ...	5
A. Goldenberg, not out ...	9
S. Jemal, o. and b. Wright ...	0
Extras ...	11
Total ...	142

University, 2nd Innings.	
J. D. Wright, o. Goldenberg, b. Southerton ...	15
R. A. Ponsonby-Fane, o. Southerton, b. Jax ...	9
Ng Sze-kwong, b. Bradbury ...	59
G. Hall, b. Southerton ...	1
A. H. Ramjahn, b. Southerton ...	1
Chow Yat Cheong, b. Southerton ...	6
A. de Souza, o. Mann, b. Bradbury ...	5
W. Hall, b. Bradbury ...	5
W. Gittens, b. Southerton ...	1
D. P. Dixon, o. Bass, b. Bradbury ...	0
D. K. Samy, not out ...	0
Extras ...	0
Total ...	107

Bowling.	
Bradbury ...	9 0 44 3
Southerton ...	10 4 2 28 4
Goldberg ...	6 0 17 2
Wright ...	3 0 10 1

THE NEW YEAR.

How it was Marked in Hongkong.

Although there were no public celebrations of any kind, many residents of Hongkong saw out the Old Year and welcomed in the New. On the chiming of midnight on Sunday, steamers in port blew their sirens and rang their bells, while some sent up coloured flares. On shore, Chinese crackers were fired off in many quarters.

New Year's Day was marked by perfect weather, and outdoor sport was very largely enjoyed. Special menus were served in the principal hotels and cafes, and at the Hongkong Hotel there was a largely-attended informal dance at night, music being provided by the Hotel orchestra.

On Sunday there was a watch-night service at St. Peter's church, while at Union Church New Year's Eve was spent, as in past years, under the auspices of the Christian Endeavour Society in a social manner. The gathering took place in the Lecture Hall, closing at 11.45 with a watch-night service. A large number was present, and the programme included music and recitations, while refreshments were served. Sacred songs were given by Mrs. Bryant, Mr. A. Williams and the Rev. J. Kirk Macdonald, and recitations and readings by Messrs. A. Hughes, Parrott and Lambie. The subsequent service was conducted by Mr. Macdonald.

POLICE RESERVE ORDERS.

Orders issued to-day by Mr. F. O. Jenkin, D. S. P. (Reserve), state:—

Police School.
Thursday, Jan. 4.—Staff Class (Chief Inspector Kerr). To be attended by all members detailed in Orders of Dec. 29/30.
Friday, Jan. 5.—Class III (Inspector Gerrard).
Recruits.
Wednesday, Jan. 3.—Parade at Central, 5.30 p.m.
Band.
The band will attend the Hongkong Police Reserve Sports' Night at the Theatre Royal on the 6th instant. They will be in place at 8.45 p.m.
Band Practice.—Wednesday, Jan. 3.

FOOTBALL.

The Club v. K.S.L.I.
There was only one really attractive match at Happy Valley on Saturday afternoon, and that was the one between the Hongkong Football Club and the Shropshires, which took place on the ground of the former club, in the presence of what was one of the biggest crowds seen at a match this season. The Club were set to face the sun in the opening half, and the class of football seen was certainly good. Although the Club did all they could to gain the lead, the Shropshires were playing a fine game. Both goals were visited in turn, and the first point of the match was registered when Peplow shot from long range and beat the Club goalie with a shot which most people thought the custodian should have cleared without difficulty. The second goal of the Shropshires followed almost immediately. From the kick-off the forward line of the soldiers went down the field together and ended a nice movement by heading well out of the reach of the custodian. The goal was a splendid one. Play soon now up to the interval, was of the ding-dong order, but the Shropshires certainly showed up better than their opponents. The second half saw the Club in brighter mood, and they certainly had most of the play. The Shropshires' defence proved too strong, however, and with a more efficient custodian the Club might have done better. The match was a very good one, and the Shropshires' play was certainly of a high class.

FROM THE PULPIT.

Thoughts for the Year-End.

Notes of a sermon by the Rev. J. Kirk Macdonald at Union Church on Sunday morning:—
 "And this, knowing the season, that now it is high time to awake out of sleep, for now is salvation nearer to us than when we first believed."—Romans 13/11.

At the close of the year even the least reflective take conscious note of the passage of time. We all pause for a moment to look back on the course of the rolling stream down which we are being carried, and to consider what point we may have arrived at. "Knowing the season," most of us probably say to ourselves something whose purport is that, in some direction or other, "it is high time to awake out of sleep." In the still moment between the years we realize the value of the time which is passing by and which will not return. But let us not overlook the supporting reason which follows the seasonable exhortation of the text. It is high time to awake, says the Apostle to his readers, because "now is salvation nearer at hand than when we first believed."

The good resolutions made at the year-end are broken because so often they are made under the lash of reproach rather than the inspiration of hope. The effect of the lash is soon over. Life under lash is a series of spasmodic efforts, exhausting in themselves and depressing in after-effects. If my text looks backward in reproof it more clearly looks forward in encouragement. Redemption, it seems to say, is drawing near, the reward of the faith and patience is approaching. Another stage is passed, not in a weary, hopeless journey, but in the pilgrimage which leads to heaven. The night is far spent, the day is at hand, and joy cometh with the morning. God's purposes are moving on. His love lasts. He is the "reward" of His people no less than their captain who leads the van. This year now nearly gone is one more during which He has been working all things together for good to them that love Him, one less between the beginning of His good work in their hearts and its completion; therefore lift up your hearts.

It has frequently been remarked that whereas the golden age of heathen speculation was placed in the past, the golden age of Christianity lies in the future. Certainly the spirit of the gospel is one which looks forward and prompts movement onward toward the noblest conceptions both of general and of personal life which have dawned on the horizon of human thought. Christ came to work for us a complete redemption, and the very slowness of the process is a guarantee of its thoroughness. A work which will stand is not done in a day, nor in a thousand years, which is but one of God's days. Men look back over these two days of God since "the beginning of the gospel of Christ," and describe them as, "Twice a thousand years of wrong."

"Of conflict and of sin."

But it is wrong which has been getting put right, conflict moving to victory, sin whose sting has been antidoted and whose fell grip is being slowly loosened. And now closes one more year, a thousandth part of one of God's days. Shall we think of it despondently, as but a further postponement of a consummation already too long delayed? Shall we regard it as but increasing the heart-sickness of hope deferred, an added trial of endurance to them that watch for the morning, a tightening strain on the courage and devotion of all who pray and work for God and for their kind? Conceive it rather as one year less between our Saviour God and the blessed results of His love to men, one day nearer to the morning day which is coming, one day nearer to the second of a new approach to the close of the great year of Time, at whose end will begin the true divine Sabbath when the Worker of redemption shall rest from His labors, shall see of the travail of His soul and shall be satisfied.

EXCHEQUER BONDS.

The 6 Per Cent. Issue Stopped.

The local office of the Chartered Bank is this morning in receipt of the following telegram of yesterday's date from London:—

"Treasury announce that no further applications will be received 6 per cent. Exchequer Bonds or War Expenditure Certificates."

Classical Dance.

At the Bijou Theatre, Miss Sonia Halanai will give a classical barefoot dance to the "Valse lente" from "Coppelia" on Wednesday, the 3rd inst.

One can well imagine those to whom the stirring call of the Apostle comes in the first instance having to think twice before acquiescing in it fully. We see from the context that these people were exposed to grave and gross temptations in the course of working out the salvation for which they looked, and that they did not at all times successfully resist them. Like ourselves, they needed to be roused out of those slumbers to which Christians are too prone on the Hills of Difficulty or in the Enchanted Grounds they meet with on the road to Zion. Aroused thus, a man may well feel that, instead of having come nearer, his salvation is farther off than when he "at first believed." At the outset he dwelt in a new world and felt himself a new creature. His heart was aglow, his mind was charmed, his will seemed steadfast. The energies of grace were keenly felt, and the Christian beginner thought he could never find charm or seduction in the old life any more. Then he fell asleep. His roll slipped from his hand, and he was benighted and undirected upon an unknown road. So far from being nearer at hand, salvation seemed to be receding into the sphere of the impossible. The man felt out of touch with his Lord, his last state appeared worse than his first, and nothing remained save "a certain fearful looking for and expectation of judgment." Truly it was high time he should be awakened. But not to mere discouragement. "Exhort one another," says the Scripture, "and so much the more as ye see the day drawing nigh," but if our exhortations and arousings are such as only to cast others into despondence, they differ wholly from God's. You do not wake a sleeper to tell him he is hopelessly lost; you tell him he may be saved if he bestir himself. And even to the man who may have fallen asleep during this past year his salvation is nearer at hand if he will address himself now to his work with a new urgency.

"Nearer than when we first believed," there are those to whom the thought has been growing more familiar and more welcome year by year. Age, weakness, heavy sufferings, repeated bereavements, these put a colour of their own into the reflection of some among us on the passing years. The "desires to depart and to be with Christ, which is far better," is of a kind which finds little expression nowadays, perhaps. Yet it exists, and welcome is its fulfilment when the final "come unto Me" is spoken to the weary and heavy-laden. And as we think of such we are reminded that not one of us knows how near to ourselves or to our dearest that final call may be.

This only is almost a certainty—and a very solemn certainty it is—that of the assembly gathered here this morning not all will still be in this mortal probation on the closing Sunday of another year. Someone will be missing, and whether the missing shall be he who speaks or one of you who listen, whether chosen from the hale or the sick, from the aged, the children, or those now in their prime, is what none can even surmise. May we all then be awake and vigilant, that when we open our eyes from the last sleep which awaits us all it may be to salutes of salvation in Him who is the same yesterday, to-day and for ever. "The night is far spent; the day is at hand."

GOLF.

Competition Results.

The Bogey Competition, played on December 30 and 31 and January 1, over the Fanling course, resulted as follows:—

Hon. Mr. A. M. Thomson	1 up.
Mr. E. Golland	All square
Mr. F. H. Kyles	All square
Mr. H. Harcock	All square
Dr. Woodman	All square
Mr. W. D. Kraft	1 down
Mr. F. Maitland	1
Mr. A. Ritchie	1
Mr. O. E. Antoon	2
Capt. S. Powell	3

There were 130 entries.

Barker's Cup.

Won by Mr. R. M. Austin in the replay	3 down
Capt. J. Dewar	5 down
Hon. Mr. A. M. Thomson	7 down
Mr. G. O. Maxon	7 down
Mr. P. P. J. Wodehouse	14 down

TO-DAY'S ADVERTISEMENTS.

NOTICES.

MY Firm hitherto carried on as JOHN MANNERS has this day been formed into a limited company under the style of Manners & Backhouse, Ltd. JOHN MANNERS.

We have this day taken over the firm of JOHN MANNERS which will be carried on under the style of Manners & Backhouse, Ltd. Directors: John Manners, James H. Backhouse.

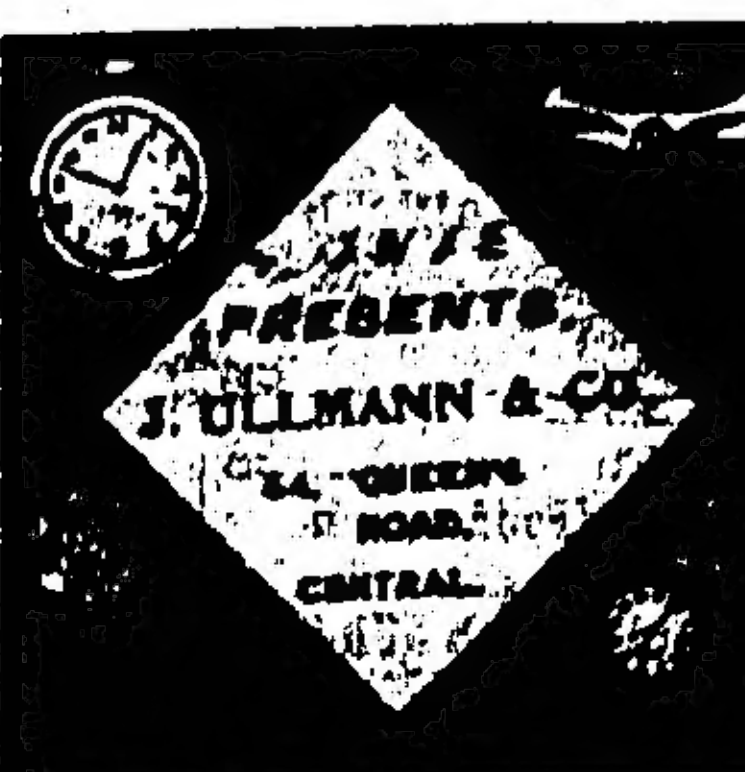
LOST.

LOST, Again, from 3, MacDonnell Road, a smooth-haired FOX-TERRIER DOG, aged four months. Answers to name of "Pup." Marking:—White body, black head. Liberal reward given for return. Telephone 2161, Sawyer.

SAKURA BEER



SOLE AGENTS:
SUZUKI & CO.
 TEL. 468
 ALEXANDRA BUILDING.

DAIRY FARM NEWS.
POULTRY.

OUR
HOUSE FED CAPONS
 AND
CHICKENS
 ARE THE BEST IN THE EAST.
 TENDER EATING, DELICATE
 FLAVOUR—TRY THEM.

10-DAY'S ADVERTISEMENTS.

WHITEAWAY'S

STOCKING SALE.

LADIES' AND CHILDREN'S MILLINERY AT
 SENSATIONAL REDUCTIONS.

LADIES FELT HATS

A Splendid Range of
 Felt Hats Semi-trimmed
 and Untrimmed.
 Usual Price from \$3.25 to
 \$4.50 Each

SALE \$2.50
 PRICE: 2 EACH.

Untrimmed and
 Semi-trimmed Felt Hats.

SALE \$3.00
 PRICE: 3 EACH.

A Large Selection
 Of Smart Felt, Silk
 And Velour Hats, in
 Black and Colours
 Usual Price \$8.00 to \$15.00

SALE \$5.00
 PRICE: 5 EACH.

WHITEAWAY, LAIDLAW & Co., Ltd.

20, DES VŒUX ROAD, HONGKONG.

BOXING ! BOXING !!
THEATRE ROYAL.

GRAND ASSAULT-AT-ARMS.

UNDER the auspices of the H.K.P.R. and under the Distinguished Patronage of H.E. the General Officer Commanding (Major-General VERTIS), and Commodore H. G. G. SANDERMAN.

SATURDAY, 6th January, 1917.

PROGRAMME.

EXTRA SPECIAL 15 2-Minute ROUND CONTEST:
 Corpl. SCOTT, R.E.,
 Heavyweight Champion of the Colony.

Seaman STAPLETON, R.N.
 SPECIAL 10 2-Minute ROUND CONTEST:
 For the Bantam-Weight Championship of the Colony:
 Pte. PLIMMER, K.S.L.I., v. Pte. BEESTY, K.S.L.I.

Six 2-Minute ROUND CONTEST:
 Pte. COTTON, K.S.L.I., v. Seaman SIMES, R.N.

Six 2-Minute ROUND CONTEST:
 Seaman PEPSON, R.N., v. Pte. DAVIES, K.S.L.I.

Six 2-Minute ROUND CONTEST:
 Seaman SUMMERFIELD, R.N., v. Sapper SMITH, R.E.

Six 2-Minute ROUND CONTEST:
 Corpl. JONES, K.S.L.I., v. Pte. MARSE, K.S.L.I.

EXHIBITION BOUT
 "PADDY" FINN and SEAMAN PEPSON.

Referee: H. J. KEDDIE, Esq.
 Times: 8 p.m.—Sergeant PITT and Mr. A. B. ALLAN.
 Prices: \$5, \$3, \$2, and \$1.

Soldiers and Sailors in uniform Half-Price to \$2 each.
 Band of the H.K.P.R. will render Selections during the evening.
 Doors Open 8.15 p.m. Commence 9 p.m. Sharp.

BOOKING AT MOUTRIE'S.

SPECIAL DISPLAY

OF
 Seasonable Wearables

INCLUDING

Novelties for
 EVENING DRESS

Newest designs in
 NECKWEAR

Jaeger
 SHIRTS, PYJAMAS, UNDERWEAR.

Dent's
 CLOVES

Warm
 WAISTCOATS

Heath
 HATS

MACKINTOSH

& CO., LTD.

Men's Wear Specialists.

16, DES VŒUX ROAD.

TELEPHONE NO. 29.

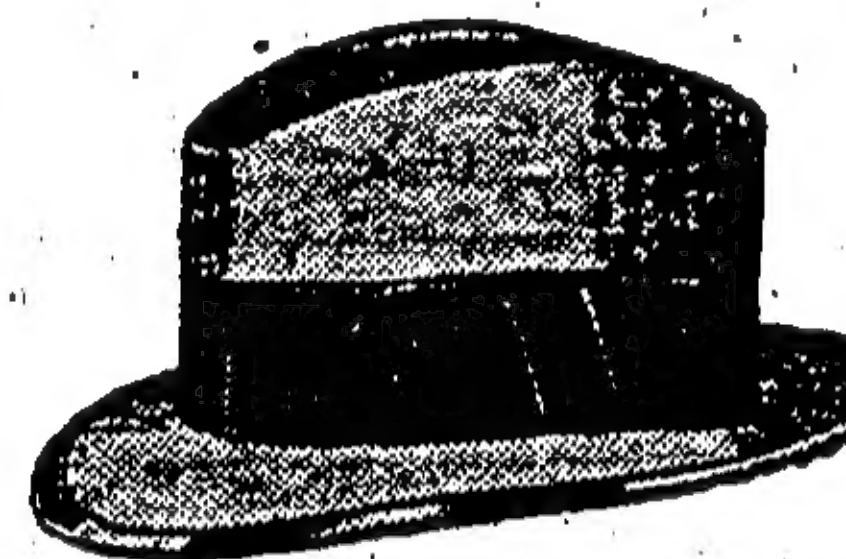
Wm. **Powell** Ltd
 TELEPHONE 346



Glyn's Hats in
 SOFT FELT, TWEED
 AND VELOUR.

Caps in
 SMART TWEEDS
 AND ALPACAS.

WM. POWELL LTD.
 SOLE AGENTS.

A "COLUMBIA" GRAFONOLA
MAKES AN IDEAL GIFT.

LATEST
 IMPROVED
 MODELS
 JUST
 RECEIVED.



THEY
 WILL
 PLAY ALL
 STANDARD
 RECORDS.

WE CORDIALLY INVITE COMPARISON
THE ANDERSON MUSIC COY. LTD.
 6, DES VŒUX ROAD TEL. 1322.

XMAS HAMPERS.

We beg to notify our Customers that Assorted Hampers suitable for the Festive Season may be obtained from us at the following reduced Prices:

No. 1 Hamper

1 bottle Moët & Chandon Champagne	Quart
1 " D.O.M.	Pint
1 " Blackberry Brandy	Quart
1 " Martell's XXX Brandy	"
2 " King George IV Whisky	"
1 " Super Tawny Port	"
1 " St. Julien Claret	"
1 " Old Brown Sherry	"
1 " Old Tom Gin	"
1 phial Pomeranzan Bitters	"

No. 2 Hamper

1 bottle Victor Clicquot Champagne	Quart
1 " Martell's XXX Brandy	"
2 " Perfection Whisky	"
2 " Rich Old Port	"
2 " St. Julien Claret	"
1 " Vino de Paso Sherry	"
1 " Peppermint G. F. small	"
1 " D.O.M. small	"
1 " Old Tom Gin	"
1 phial Pomeranzan Bitters	"

No. 3 Hamper

1 bottle Burgundy	Quart
1 " Peppermint small	"
1 " D.O.M.	"
2 " Rich Old Port	"
2 " Perfection Whisky	"
1 " 20 year Old Brandy	"
1 " Amontillado Sherry	"
2 " Medoc Claret	"
1 " Old Tom Gin	"
1 phial Pomeranzan Bitters	"

Hampers of all descriptions made up to suit Customers' requirements.

CANDE, PRICE & CO. LTD.

WINE MERCHANTS.

TEL. NO. 236. 6, Queen's Road, Central, Hongkong.

NOTICES.

TEL 1847

TELEGRAMS.

(Reuter's Service to the "Telegraph.")

(Continued from Page 1)

SERBIAN PRISONERS.

Shamefully Treated in Germany.

December 31, 12.25 p.m.
Reuter's correspondent at Corfu says that escaped Serbian prisoners from Germany tell of shameful treatment. They were not only put to the hardest tasks and insufficiently fed and clad, but there is corroborative and trustworthy evidence that the Austrians are employing them as combatants against the Russians. Many of these succeeded in surrendering, and thus escaping.

HUNGARIAN CORONATION.

The Ceremony at Budapest.

December 31, 12.55 a.m.
The coronation of the King and Queen of Hungary was accomplished at Budapest with ancient pomp and solemnities.

A Picturesque Event.

December 31, 1.15 p.m.
According to Reuter's correspondent at Amsterdam, a Budapest telegram states that at the coronation their Majesties were received at the Cathedral by the Cardinal, Primate and clergy, and conducted to the Loretto Chapel, where the King robed in a mantle and girded the sword of St. Stephen. He then proceeded to the High Altar, where he was enthroned amidst the Barons of the Empire. Afterwards there was a celebration of High Mass.

Count Tisza crowned the King, who afterwards took the oath in the great square in front of the cathedral in the presence of the people. He then proceeded to the coronation mound and waved the sword of St. Stephen to the four quarters of the Empire, symbolising his guardianship thereof.

MUNITIONS FROM CANADA.

December 31, 4.50 p.m.
Reuter's correspondent at Ottawa says that Canadian bankers have furnished a further credit of the ten millions sterling to purchase Canadian munitions for Britain, making a total of fifty millions thus provided.

HOW A DANISH STEAMER WAS TORPEDOED.

January 1, 5.20 a.m.
Reuter's correspondent at Copenhagen says that the survivors of the crew of the Danish steamer Hroptatyr state that the boat was torpedoed by U18, near Whant on December 22. They give harrowing details, and say that in a heavy sea the crew was ordered to leave the ship. The boats were lowered with difficulty and one got nipped between the submarine and the steamer. The Captain was crushed to death, his head being severed from his body. Another man was killed.

The submarine took the rest of the crew aboard, and when a French destroyer rushed up, the submarine submerged and escaped being shelled by inches. The submarine ultimately arrived at Zeburgen.

BRITISH GROWING REVENUE.

December 31, 4.55 a.m.
The revenue for the quarter ended December 31 amounted to £120,217,712, as compared with £144,390,510 in 1915. This figure includes £48,443,000 received from the Excess Profits Duty.

GERMANY'S GAOL-BIRD SOLDIERS.

December 31, 1.15 p.m.
Germany has begun recruiting from the gaols, excluding only the habitual criminals.

THE EGYPTIAN SUCCESS.

A Masterly Surprise Stroke.

December 31, 11.30 p.m.
Reuter's special correspondent in Egypt says that the Maghdabah victory, mentioned on December 25, was due to a masterly surprise stroke by the mounted camel corps. The artillery covered twenty miles of difficult ground in four hours, in a most rapid trot across the sands. A portion of the El Arish garrison had fallen back into a strong position at Maghdabah, consisting of several well-situated redoubts. The action began at day-break the artillery speedily demolishing one redoubt. Others were in a more difficult position and resisted longer. The enemy hoisted the white flag at three o'clock in the afternoon. Our casualties are comparatively insignificant.

The present position menaces the enemy's railway communications and the remaining enemy garrisons on the Sinai Peninsula; therefore they are rapidly withdrawing.

PROMOTIONS AND DECORATIONS.

Sir Douglas Haig Made Field Marshal.

December 31, 3.00 a.m.
The Gazette gives a list of promotions for distinguished services in the field, including Sir Douglas Haig, to be Field Marshal; Lieut. General Rawlinson, General; Major General H. Horne, G. Milne, the Earl of Cavan, Sir L. Kiggell and Sir S. Gough, Lieutenant Generals; General Smuts, Hon. Lieutenant General.

More Victoria Cross Awards.

December 31, 4.00 p.m.
The Gazette mentions that the Victoria Cross has been conferred on Captain William Bloomfield, Scouts Corps, South African Mounted Brigade; and on Lieutenant Eugene Bennett, of the Worcestershire Regt.

Mr. Bennett, when the first line wavered, owing to the death of its commander and to heavy losses, advanced at the head of the second wave and, by his personal example, valour and resolution, reached his objective, with only sixty men. Although isolated he immediately consolidated his force under a heavy flanking fire, and, though wounded, he continued to direct and control, and to set an example of cheerfulness and resolution. There is little doubt that but for his personal courage, the attack would have been checked at the outset.

PROHIBITION IN NEWFOUNDLAND.

January 1, 3.40 p.m.
Absolute Prohibition is being enforced in Newfoundland from to-day.

TELEGRAMS.

(Reuter's Service to the "Telegraph.")

ON THE WESTERN FRONT.

Renewed Activity Reported.

December 31, 11.30 p.m.
General Sir Douglas Haig, in a communique, says:—We bombarded the enemy south-east of Le Transloy, blowing up an ammunition dump.

The enemy's artillery is active at Matinipnich. We successfully blew up a mine north-east of Neville St. Yeast. We effectively bombarded positions in the neighbourhood of Serre, and southward of Le Transloy, we shelled places of military importance.

To the east of Arras, our fire destroyed the bridge across the Laies to the east of Le Tillaoy, and to the north of Neuve Chapelle.

A Year's Captures on the Somme.

January 1, 3.15 p.m.
A Paris communique says:—There is nothing important to report. The French at Verdun and on the Somme during the year 1916 captured 78,500 Germans.

Failure of German Attacks.

January 1, 4.00 p.m.
A French communique reports:—After a violent bombardment by trench engines, the enemy twice attacked an advanced post west of Auberville, in Champagne, but completely failed before our machine-gun fire and grenade-throwing.

Prisoners Taken.

December 31, 4.00 p.m.
A French communique says:—The night was calm. We captured some prisoners by a coup de main south of Chilly.

Enemy Attempt Fails.

January 2, 12.30 a.m.
A French communique states:—On the right bank of the Meuse, a strong enemy coup de main to the east of Des Chabrettes completely failed. It was relatively quiet elsewhere.

German Trenches Entered.

January 12, 12.30 a.m.
General Sir Douglas Haig reports:—Our patrols entered enemy trenches in several places eastward of Armentieres. An enemy patrol reached our lines southward of Pilkem, but was immediately driven out. Enemy artillery is somewhat more active to the north of the Ancre. There is a brisk reciprocal artillery duel in the Loos salient and in the neighbourhood of Fauquissart.

FRENCH BATTLESHIP TORPEDOED.

Only Four Casualties.

December 31, 2.05 p.m.
A Paris naval communique reports:—The battleship Gaulois was torpedoed by a submarine in the Mediterranean on December 27. She sank in half an hour. Owing to the discipline and coolness of all on board, and the rapid arrival of patrol boats, only four of the crew were lost, two of whom were killed by the explosion which was caused.

NEW YEAR MESSAGES.

Allies Confident of Victory.

January 1, 1.00 a.m.
The King has sent the following New Year message to President Poincare:—"I am as confident as ever of a victorious issue to the struggle. I pray that the noble French nation, whose soul has strikingly and freshly proved the will to victory, may, by the triumph of the Allies, re-enter the path of peaceful progress, secured against aggression." President Poincare, replying to the King of Italy, says victory is secured in the New Year.

HONGKONG TRADE.

Features of the Past Fortnight.

The Fortnightly Price Current and Market Report issued by the Hongkong General Chamber of Commerce contains the following:—

Cotton piece goods and fancy cotton goods.—During the interval cotton has declined to 10.00d. Whether this is only a temporary drop resulting from peace rumours remains to be seen. Small sales of staples have been effected from stock and prices are maintained. Home prices for Fancy Goods particularly are very firm and in many cases have advanced. No fresh business is anticipated before the end of the year.

Cotton Yarn.—The continuous and heavy decline in American cotton has resulted in business being confined within very narrow limits, as dealers are holding fair bargains and deliveries are not likely to be on a very free scale at present. Prices have declined \$4 to \$5 per bale. Quotations are:—No. 10s at 105/127. No. 12s at 115/123. No. 76s at 132/147. No. 20s at 135/163. Arrivals 16,000 bales. Sales 2,000 bales. Shipments 2,000 bales. Upward stock 18,000 bales. Bargains 28,000 bales.

Woollens.—Tailoring goods have recently been ordered, but practically nothing is doing in staple woollens.

Metals.—Prices remain practically unchanged. Dealers are not buying and there is little improvement to report. Prices at home and in America continue firm, with slight advances in support in most lines. Mills are becoming more and more engaged with domestic needs and are now difficult to negotiate with regarding satisfactory deliveries.

Flour Market Report.—American Market.—Wheat has had a set back on the recent peace talk, but this has not so far reacted on cost of flour. Australia: There is practically no surplus available for export, which is at present prohibited. Locally: Stocks are about 200,000 sacks of all grades, a good portion of which is old crop cargo. Demand is exceedingly dull, and clearances small. Quotations:—American Patent, \$4.00; American Cut off, \$3.40; American Straight, \$3.35; Shanghai Flour, \$3.00/3.05.

Coal.—Prices have advanced since our last report, but there are no sales to record. Sugar.—Market dull and weak. Canton Bulk.—Messrs. Harbert Dent and Co., in their circular dated December 28, state:—Stocks 2,500 bales. Market 2,500 bales. Exchange continued as the

THE SHARE MARKET.

QUOTATIONS.

Up to the Minute.

Banks	115.00
Unions	92.00
H.K. Fire	375.00
Indos (Def.)	136.00
Steamboats	20.00
China Sugar	123.00
Langkate	22.25
H.K. Wharves	85.50
China Dock	127.00
China Light	4.75
Cement	11.90

MAYOR OF YPRES.

\$1,300 Damages for Libel Two Years Ago.

Under a settlement announced in the King's Bench last month M. Rene Olsert, mayor of Ypres, receives £1,300 and costs from the proprietors of the Manchester Guardian and the Pall Mall Gazette and others for a libel contained in a letter from the front.

This letter was published as follows on December 4, 1914:—"In the result, underneath the town hall was found an enormous quantity of German stores and ammunition, sufficient to last them a month and serve them as a depot for their attack on Calais. It had been put there with the connivance of the mayor at the time the Germans were in occupation. This explains their desperate effort to capture the town again. The traitor mayor was shot."

In the Pall Mall Gazette the following addition appeared:—"Immediately afterwards the Germans shelled the place and smashed up the building and set it on fire."

The defendants included Mr. Waldorf Astor and Mr. J. L. Garvin, of the Pall Mall Gazette, and Mr. J. Russell, of the Manchester Guardian.

Sir Edward Carson said that as mayor of Ypres when the city was invested M. Olsert and his son were taken prisoners, and were subjected to many indignities. M. Olsert was now in his 70th year, had been for 32 years a member of the Belgian Parliament, and had been elected to be mayor of Ypres till 1914, after having held every high municipal office available in the city.

Mr. Horne Williams, K.C., M.P., explained that the 1914 was part of a long letter sent by an officer to his father in Ypres. Both journals expressed their deep regret that they should in the hurry and desire of two years ago to publish news to allay public anxiety in this country, have cast a slur on this distinguished and patriotic citizen of their Ally. At the request of the jury their fees, 12 guineas, were handed over to the Belgian Relief Fund.

A Dry Month.

According to the Botanical Gardens rainfall return, the total fall for the month of December was .03 inch, which was registered on the 23rd.

Closing rates of the previous fortnight for about five days when it began to advance and close with a rise of 3%. Silk has declined in about the same ratio. Buying for France has been but fair though steady. A small business has passed for America and the price for 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1447, 1448, 1449, 1450, 1451, 1452, 1453, 1454, 1455, 1456, 1457, 1458, 1459, 1460, 1461, 1462, 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1473, 1474, 1475, 1476, 1477, 1478, 1479, 1480, 1481, 1482, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497, 1498, 1499, 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1523, 1524, 1525, 1526, 1527, 1528, 1529, 1530, 1531, 1532, 1533, 1534, 1535, 1536, 1537, 1538, 1539, 1540, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1563, 1564, 1565, 1566, 1567, 1568, 1569, 1570, 1571, 1572, 1573, 1574, 1575, 1576, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 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2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436

TELEGRAMS.

[Reuter's Service to The "Telegraph."]

EARLIER TELEGRAMS.

INTERRUPTING TURKISH COMMUNICATIONS.

London, December 29.

The great Chikaldir Bridge, mentioned in a communique yesterday, was the most vital link of the Bagdad Railway. Its destruction means the interrupting of Turkish communications towards Mesopotamia and Syria and the cutting off of supplies from rich provinces.

INTRIGUE AT ROME.

London, December 29.

"The Times" Rome correspondent reveals machinations of ex-Premier Caillaux at Rome, where he was promised that Germany was disposed to treat France generously and compel Austria to grant Italy practically all her national aspirations, provided that Germany should have a free hand in dealing with Russia and the Balkans. The whisperings of Caillaux fall on deaf ears at the hint of drastic Government action, which nipped the intrigue in the bud.

CANADIAN WAR ESTIMATES.

Ottawa, December 29.

Parliament has been summoned for January 18, to pass the War Estimates before Sir Robert Borden's departure for London.

RUMANIAN NATIONAL MINISTRY.

London, December 29.

Following the example of the Allies, Rumania has formed a National Ministry, which includes the prominent pro-Ally M. Joneanu and several supporters.

THE PEACE QUESTION.

London, December 29.

Despite rebuffs, German agents at Washington are frantically working to induce President Wilson to support the new idea of a meeting of neutrals at The Hague in January.

The proposals are regarded as another development of the German campaign to belittle the Allies.

London, December 30.

It is expected that the reply of the Allies to the German Note will be published this afternoon.

Later.

The joint reply of the Allies to the German peace note was to-day communicated by the French Government to the United States Ambassador at Paris. It begins by stigmatising the proposal as illusory and protests strongly against the two material suggestions of it, namely the professing to throw on the Allies the responsibility for the war and proclaiming victory for the Central Powers. Both assertions are untrue and such claims alone are sufficient to render sterile all attempts at negotiation. The Allies are as strongly devoted to peace to-day as they were in 1914, but after Germany's violation of solemn engagements, Germany's promise is not a sufficient foundation on which to establish the peace she broke. The mere suggestion without a statement in terms that negotiations should be opened is not a peace offer and Germany's putting forward a sham proposal lacking all substance and precision is less a peace offer than a manoeuvre. It is founded on a calculated misinterpretation of the character of the struggle past, present and future.

London, December 30.

Lord Curzon, in the course of a letter to the Primrose League, says: We all pray that this war may be the last, but the end is not in sight. Although there are signs of exhaustion in many quarters and peace kites are flying, neither side has obtained a preponderating decision, and it seems likely that the war will last well into another year; but we must not falter, since a patched up peace will mean our immediate moral humiliation and our ultimate destruction.

DESTRUCTION OF RUMANIAN OIL WELLS.

Amsterdam, December 29.

The German papers are most furious on learning the thoroughness of the destruction of the Rumanian oil wells, which a German staff officer, writing to the "Kölnische Zeitung," describes as being so terrible and wild that it surpasses everything that has hitherto happened. Everything that was ruinable was ruined.

THE BALKAN STRUGGLE.

London, December 29.

Despite German boasts, it is evident that the Germans paid dearly for the capture of Rihonik Serat.

The Russian forces were merely armed to gain time to prepare for resistance on their principal line.

The Germans had to send division after division to the slaughter in order to gain what turns out to be a mere Pyrrhic victory.

London, December 30.

A Russian official report, received by wireless, states:—The enemy occupied several heights in Otus Valley.

We are consolidating ourselves northward of Horhaz, and east and north of Sosmoro.

The enemy continued his obstinate attacks north-east of Rihonik, mainly along the railway, captured Bordestah, and pressed us back near Zalestah.

We heavily repulsed attacks southward of the Danube.

London, December 30.

A German official report received by wireless, states:—On the Transylvanian frontier mountains we entered the enemy's positions, and, despite strong counter-attacks, pushed ahead, taking 600 prisoners.

General Mackensen is pursuing the retreating enemy along the whole front between the mountains and the Danube.

GERMAN INTRIGUE IN CANADA.

London, December 29.

Seven employees of the Quebec Arsenal have been arrested on a charge of stealing nickel.

The authorities believe they are now on the track of the whole plot of the illicit export of Canadian nickel to the United States, which has been engineered by German-Americans at enormous cost.

Three tons of nickel were found packed in whisky casks.

TELEGRAMS.

[Reuter's Service to the "Telegraph."]

THE INDIAN STUDENT PROBLEM.

London, December 29.

The Report of the Indian Students' Department, for the year ending June 30, says that on the whole the record of work done under the restricted opportunities of war time, is encouraging to those responsible therefor; and the growing tone of cordiality and friendliness among Indian students in Great Britain is unmistakable. It may be said that the influence which made the misunderstandings have diminished, and that the real objects of the Department are better appreciated and that commonsense and good humour prevailed. It concludes by stating that it may well be that the only permanent solution of the student problem lies in the building up in India of universities, industries and institutions adequate to give all her sons all the training they require; but that day is yet far off. Meantime, it may fairly be said that there is now no serious difficulty for Indian students in England which cannot be overcome by perseverance and encouragement on the part of those who wish to serve them and on the part of students by good conduct and good will.

The Report says that the record of the Indian Advisory Committee, especially that of Bombay, is encouraging, and emphasises the importance of their work. Since it is chiefly in India that the student problem will be solved, no effort should be spared to strengthen the Committee and popularise their labours, and make them yearly more representative and more efficient. The Secretaries should be heartily supported by the Provincial Educational Authorities and should be able to rely on the constant help of a small executive of working members, who might well have the co-operation also of one or two representative students chosen from men who have studied in England successfully. It also suggests occasional conferences of secretaries and members, with ample supplies of information from every centre; and allowances should be made to enable secretaries to travel in their provinces and even to visit England; also the further utilisation of the Indian Press to explain the objects of the Committee and secure the co-operation of the leaders of Indian opinion.

FRENCH SHIPBUILDING.

Paris, December 30.

The Chamber has authorised a State advance of £8,000,000 to shipowners for the construction or purchase of ships.

FRENCH NATIONAL SERVICE.

Paris, December 30.

A Bill has been introduced in the Senate providing for the mobilisation of civilians between the ages of 17 and 60, for the organisation of national labour in France and her Colonies.

THE WESTERN FRONT.

Paris, December 30.

A communique states that the French raided and wrecked German trenches between the Oise and the Aisne.

The Germans violently bombarded French positions between the Meuse and Avocourt.

The French frustrated several bombing attacks at this front.

French aviators bombed different German munitions works, including those at Neunkirchen.

Paris, December 30.

A communique states there has been a quiet day. There was artillery activity on both banks of the Aisne and on the left of the Meuse.

A NEW KNIGHT.

London, December 30.

Mr. Gordon Howart, K.C., M.P., the new Solicitor General, has been knighted.

THREATENED NEW YORK STRIKE.

New York, December 30.

Four hundred thousand railway workers threaten to strike on January 1st if the operation of this new law establishing an eight-hours' day and other concessions is delayed.

AN AIR MINISTRY.

London, December 30.

The "Daily Telegraph" states that the Government has decided to form an Air Ministry with ample powers. The Minister will probably be a Peer.

POLITICAL CHAOS IN AUSTRIA.

London, December 30.

Political chaos reigns in Austria-Hungary. There are wholesale resignations and dismissals of prominent men generally regarded as responsible for Austria's perilous condition as a satellite of Germany. The chief victim is the Dictator, Count Tisa, who will crown the King to-morrow but will probably retire after that event.

A MEDICAL PRONOUNCEMENT.

London, December 30.

Experts of the London Hospital have announced that after investigations extending over several years they have decided that syphilis is not hereditary. They are of opinion that the child contracts the disease from the mother after birth.

THE GREEK CRISIS.

Paris, December 30.

The Foreign Affairs Committee of the Chamber announces that it has received information fixing the responsibility upon King Constantine and the Greek Staff for the events of December 1st, thus demonstrating the necessity for energetic action.

SIR DOUGLAS HAIG'S DESPATCH.

London, December 29.

The papers warmly praise General Sir Douglas Haig's matter-of-fact statement and contrast it with General Hindenburg's vague generalities.

The opinion is expressed that nothing but an aberration, in the strategic sense, by the now War Cabinet, can save the Germans from a second thrashing in the Spring.

The papers regard the despatch as ample explanation of the German peace terms.

HONGKONG SHARE REPORT.

S.—SELLERS; SA.—SALES;
B.—BUYERS; N.—NOMINAL.

OFFICIAL PRICES.

BANKS.

MARINE INSURANCES.

CANTONS.

NORTH CHINAS.

UNIONS.

YANGTZE.

FIRE INSURANCES.

CHINA FIRES.

H. K. FIRES.

SHIPPING.

DOUGLASS.

STEAMBOATS.

INDOS (DEL.).

INDOS (PREL.).

SHELLS.

FERRIES.

REFINERIES.

SUGARS.

MALABARS.

MINING.

KAILANS.

LANGKATS.

RAUBS.

TRONCHS.

URALS.

DOCKS, WHARVES, GODOWNS, &C.

H. K. WHARVES.

KOWLOON DOCK.

SHAI DOCK.

LANDS, HOTELS AND BUILDINGS.

CENTRALS.

H. K. HOTELS.

LAND INVEST.

H. PHREYS EST.

KLOON LANDS.

SHAI LANDS.

WEST POINTS.

COTTON MILLS.

EWOS.

KUNG YIKS.

SHAI COTTONS.

YANGTZEPOOS.

MISCELLANEOUS.

BORNEOS.

CHINA LIGHT & P. b.

PROVIDENTS.

DAIRY FARMS.

GREEN ISLANDS.

H. K. ELECTRICS.

H. K. ICE CO.

ROPE.

STEEL FOUNDRIES.

TRAMS, LOW LEVEL.

TRAMS, PEAK, OLD N.

TRAMS, PEAK, NEW N.

LAUNDRIES.

U. WATERBOATS.

WATSONS.

Wm. POWELLS.

MORNING POSTS.

CORRECTED TO NOON TUESDAY JANUARY 2, 1917.

BENJAMIN & POTTS.

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Princes Building.

Tel. address: Broker.

EXCHANGE.

SELLING.

T/T Demand.

30 d/a.

60 d/a.

4 m/a.

T/T Shanghai.

T/T Hongkong.

T/T Japan.

T/T India.

T/T Sdn. Francis.

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